

# Department of Personnel & Administration



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DOC  
Human  
Resources  
Conference

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## Market Trends

HR Magazine  
(SHRM)  
Future of HR

HR Resources  
Center  
(IPMA)  
HR Strategic  
Planning

- HR will be smaller.
- Must be more strategic, proactive and involved in overall business.
- Look for problems to solve – more than on the table; helping to set an agenda.
- Future HR professionals:
  - CFO – number cruncher to set metrics and show economic value;
  - Internal Consultant – spread HR competencies so line managers are empowered to make decisions, and HR counsels on legal and ethical considerations;
  - Vendor Manager – what to outsource; monitor quality, cost and trends;
  - Self-Service Leader – champion Web-based portals.
- Business is ahead of advocacy for employees.



## Market Trends

HR Magazine  
(SHRM)  
Future of HR

HR Resources  
Center  
(IPMA)  
HR Strategic  
Planning

- To move out of a support role, need a written strategic plan for 3-5 years out:
  - Plan must answer, “what does HR do to help the organization achieve it’s goals?”
- Determine HR’s role:
  - Cannot be all things to all people. What is primary and what is secondary?
- Strategic Plan:
  - Where are we going?
    - Vision → Mission → Goals
  - How do we get there?
    - Environment – what are our values
    - Operational Excellence – how well do we do our basics?
    - Strategies – action steps, milestones, target dates
    - Strategic Organization Building – how do we build human capital (morale, succession, etc.)?

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## DHR Mission, Vision & Strategic Goals

### Mission

Provide expertise, leadership, and consultation for the development and strategic management of human resources and protection of state assets.

### Vision

- See the nexus between sound HR practices and risk management
- Use the audit process not as a police mechanism, but to help promote best-practices throughout the state
- Move from process management to strategic HR

### Strategic Goals

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## DHR Mission, Vision & Strategic Goals

### Mission

To be a local and national leader in strategic human resources and risk policies and programs.

### Vision

- To be a local and national leader, we must work together with departments to implement policies that encourage best-practice HR and risk management
- Provide the tools, training and continuing education necessary to help ensure our professionals can best do their jobs

### Strategic Goals

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## DHR Mission, Vision & Strategic Goals

### Mission

- Incorporate DPA's three Cs into all the business of DHR.
- Recommend the legal framework that supports the changing business needs of the state.
- Design flexible systems to provide more responsibility and accountability for the executive branch, managers, and employees.

### Vision

- Evolve the HR profession into a strategic role as opposed to process management in order to enable agencies to become self-reliant and accountable, and allow DHR to serve as consultants and policy directors.

### Strategic Goals

- Develop all the elements of the HR system of the future to make Colorado a more competitive employer.

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## Civil Service Reform

### Executive Order

On March 12, 2003, Governor Owens, through Executive Order, established the Commission on Civil Service Reform to review Colorado's state personnel system and to identify and recommend reforms to better serve the needs of Colorado state government, public employees, and taxpayers.

### Members & Staff

- Colorado's Civil Service System is the most rigid in the country.

### Charge

- It was established in 1918 and has seen very little substantive change except adding veterans preference in the 1940's and going from the "Rule of 1" to the "Rule of 3" in 1970.

- Over two-thirds of all states do not even mention civil service in their constitutions.

- The rigidity of the system impedes sound business practice.

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## Civil Service Reform

### Members

- Richard D. Lamm, Co-Chair
- Troy Eid, Co Chair
- Honorable Norma Anderson
- John Bliss
- Brian Burnett
- Steven Farber
- Diedra Garcia
- Salvador Gomez
- Honorable Rosemary Marshall
- Jeffery Schutt
- Greg Walcher
- Dr. Al Yates

### Staff

- Paul Farley, Director
- Ken Allikian
- Jonathan Anderson
- Steven Chavez
- Stacy Worthington

Executive Order

Members &  
Staff

Charge

• Members and staff are divided into three working groups: Higher Education, Contracting Reform and General System Reform.



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## Civil Service Reform

Executive Order

### 1. The role of classified employees in institutions of higher education and in senior management positions:

- Should higher ed be part of the state personnel system?
- Changes in Senior Executive Service.

Members &  
Staff

### 2. Parameters of privatization, outsourcing, and temporary employees:

- Constitutional changes that balance the need for cost-effective government & employee protections.
- Why should protections limit the ability of the State to retrain and reassign among the various branches of government?

Charge

### 3. General system reform:

- Improving the application of the merit principle:
  - What is the merit principle?
  - Misconceptions
- Employee selection, retention, discipline, and separation;
  - What impedes selection & retention? Rule of three?
  - Rules around discipline and separation? Employee for life?



## Total Compensation

HB-1316: Myths  
& Reality

Salary Survey

Performance-  
based Pay

Benefits

- One – pot?
- Total Compensation Advisory Council (TCAC)?
- Just like salary survey – only a proactive vote of the entire legislature can delay or deny implementation
- Eliminates salary survey?



## Total Compensation

HB-1316: Myths  
& Reality

Salary Survey

Performance-  
based Pay

Benefits

- Same process as ever. Private & public employers. Integrity in the survey process.
- Has always measured benefits information but now the General Assembly will be more beholden to all elements of the survey
- Survey will begin to measure and report elements of performance-driven compensation



## Total Compensation

HB-1316: Myths  
& Reality

Salary Survey

Performance-  
based Pay

Benefits

- Performance Pay is not going away.
- Helps make the process of moving through pay ranges more performance based
- No longer a need for cost-neutrality; based on an irrelevant number
- Creates opportunity to move money to performance pay

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## Total Compensation

HB-1316: Myths  
& Reality

Salary Survey

Performance-  
based Pay

Benefits

- Will help ensure that the State's contribution to benefits does not fall behind times for almost twenty years
- Allows for the recommendation to shift more money towards benefits
- Creates more flexibility in terms of programs and ability to return to self-funding if necessary
- Begin to view Total Compensation as the complete investment the State makes as employer in its workforce
- Give employees more choice and control in the ultimate design of their individual total compensation package - One Size Fits All no longer works



## Core DHR Initiatives

### Succession Planning

- Encourage all of you to look at the 2003 Workforce Report
- Close to 40% of the workforce may retire in the next 7 years
- What does this mean for us?

### Broadbanding

- What other trends are happening within our workforce – turnover, aging workforce, retention issues – that will affect how we recruit, select and train?

### Pooled Leave

- What trends are occurring nationally among workers and employers of which we must be aware? Baby Boomers? Increased mobility of younger workers?

### Employee Self-Service

- How do we adequately value and preserve the knowledge and skills of our long-time workers while adequately preparing for the large numbers of retirements?



## Core DHR Initiatives

Succession  
Planning

Broadbanding

Pooled Leave

Employee Self-  
Service

- DHR has worked for a decade to consolidate classes and add flexibility to the classification system
- The grouping of classes into few, broad classes with wider pay ranges takes this approach one step further
- It also coincides with a shift of emphasis away from job classes toward work performance
- Greater flexibility for management to reward high achievers
- Greater opportunity for employees to advance based on their achievements



## Core DHR Initiatives

### Succession Planning

- Consolidates hours kept in separate accounts – annual leave and sick leave – into one account

### Broadbanding

- Sick leave is the only leave currently set in statute. Why?
- Pooled leave empowers the employee to manage his or her own leave, and takes the employer out of the business of telling employees how to use their leave hours
- Most employees like the concept of pooled leave but have concerns about current leave totals

### Pooled Leave

- Any transition to pooled leave needs to address employee concerns regarding current leave totals
- Again, this approach offers greater flexibility, and more choice and responsibility for the employee

### Employee Self-Service



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## Core DHR Initiatives

### Succession Planning

- Fully automate HR process management – recruitment, assessment and selection, leave balances, personnel records, management of personal benefits and payroll

### Broadbanding

- HR professionals no longer have to push paper
- Real-time access to valuable data
- Employees begin to manage their leave balances and personnel records
- Right now, we are in the process of implementing online open enrollment for the upcoming year

### Pooled Leave

- This will save time and money
- Serve as model of how updated technology can improve the work environment

### Employee Self-Service

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## Intended Outcomes

Increased  
Flexibility

- Through Constitutional, statutory and rules changes
  - Eliminate or change policies which no longer serve the state's business needs
  - Outsourcing
  - Movement among branches of government

Strategic  
Management vs.  
Process  
Management

- Through the concept of total compensation
  - More ability to remain competitive with the market
  - Move toward true cafeteria compensation - individual employees can decide the best mix of compensation

The Technology  
For Change

- Through strategic HR initiatives that enable management and employees to control more
  - Broadbanding expands the ability to reward work performance and achieve professional goals
  - Pooled leave puts leave decisions in the hands of the employee
- Through the promotion of the use of HR technology
  - Technology does the processing; people have the freedom to design strategic initiatives

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## Intended Outcomes

Increased  
Flexibility

- HR is about making the most of our greatest resource – our people, not about pushing paper and filing
- Through strategic outsourcing and modernizing our processes, we can spend more time focusing on workplace trends and making the State of Colorado a more competitive employer

Strategic  
Management vs.  
Process  
Management

The Technology  
For Change



## Intended Outcomes

Increased  
Flexibility

- The state must be able to provide its employees the tools to succeed
- Employees who come from the private sector step back in time
- If we cannot afford the technology, we must look to outsourcing as a way to get it
- Employees deserve to have the technology to better control their personnel records, leave, benefits and compensation

Strategic  
Management vs.  
Process  
Management

The Technology  
For Change